



UTAH STATE MEDICAID DUR COMMITTEE

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Pharmacy Manufacturer Direct To Consumer Advertizing ^o **Increased Consumer Pressure on Physicians** ^o **Increased Prescribing** ^o **Increased Costs** ^o **Increased 3rd Party Restrictions** ^o **Any Questions?** *****

MULTIPLE DISPENSING FEES ASSOCIATED WITH HOME INFUSION PHARMACY SERVICES.

The U.S. Department of Justice(DOJ), as part of a legal process, has established a "true" AWP for 437 NDC specific products and has directed the Division to implement this price list. Home infusion pharmacy services have low volume and high expenses. The DOJ's price list places the "true AWP" close to actual acquisition costs, thus eliminating the "spread" or profit that pharmacies have enjoyed for years.

The Division met on several occasions with representatives of the home I.V. infusion specialty pharmacies (infusion committee) subsequent to implementing the DOJ's revised AWP list of the now infamous 437 NDCs. The meetings were productive and resulted in identifying five categories of difficulty in filling a prescription. Category one is deemed to be the same as those prescriptions normally filled at a typical retail pharmacy. Categories two through five are increasingly difficult prescriptions with category five being the most difficult and expensive to prepare. Each of the 437 NDCs were placed in a cost category appropriate to the category of preparation difficulty and overhead costs. A new dispensing fee was set for categories two through five.

- Category five includes chemotherapy I.V.s, pain management, and cardiac ionotropics. Chemotherapy, for example, requires a separate vertical hood and complete gowning to meet OSHA standards which adds considerable expense of time and set-up costs.
- Category four includes complex antibiotics that require laboratory

monitoring and reporting.

- Category three includes simple I.V. antibiotics, anticoagulant treatments, I.V. gamma globulin, etc.
- Category two includes nebulizer preparations, growth hormone, etc.

The new dispensing fees are:

Category 2	\$ 8.90
Category 3	\$ 18.90
Category 4	\$ 22.90
Category 5	\$ 33.90

The original DOJ's 437 NDCs will be linked to their counterparts for other manufacturers. Other brands will be reimbursed at the same rate as the DOJ's 437 NDCs. All pharmacies, not just Home I.V. Pharmacies, will be reimbursed at the same rate for these NDCs.

PHARMACISTS - Original Dispensing Fee Restored!!

Effective April 1, 2001, the original pharmacy dispensing fee of \$3.90 urban and \$4.40 rural has been restored.

PHYSICIANS Fee-For Service - At long last, get a 7 ½ % fee increase effective 7/1/01. Remember, you read it here first. This increase may not apply to physicians with HMO contracts.*****

Pharmacy -Respiratory Care-Know What Your Numbers Mean*

A spirometer measures two numbers that are important for your health care team to determine a variety of lung disorders such as asthma, chronic bronchitis and COPD. These numbers are **FEV₁** (forced expiratory volume in 1 second) and **FVC** (forced vital capacity). More simply stated, **FEV₁** measures how much air someone can breathe out in one second, trying as hard as possible. **FVC** measures the total air volume expelled. In a normal person, the ratio **FEV₁/FVC** is 80% or more. If your number is below normal, consult your primary care provider. *the editors found the above statement without any credit listed and thought it worth passing on. *****

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HIPAA IS NOT A TEEN ROCK GROUP!! The federally mandated Health Insurance Portability and Accountability Act (HIPAA) is scheduled to be effective October 2002. The first section of the act to be implemented is the pharmacy electronic claims processing program. HIPAA will require the use of the National Council for Prescription Drug Programs (NCPDP) version 5.1. Currently, Medicaid's on line point-of-sale program requires NCPDP 3.2. NCPDP 5.1 is the official standard that all health and pharmacy insurance agencies must use for pharmacy claims. Medicaid is no exception. The Division is currently working on bringing the existing point-of-sale program into compliance. Once implemented, Medicaid will be able to accept claims in NCPDP version 5.1 through version 5.5. Pharmacists, alert your software vendors to start planning on updating your programs to meet federal guidelines. All third party claims, not just Medicaid, must be transacted in NCPDP 5.1 or higher after the effective date of October 2002. HIPAA mandates a national provider ID number for all health care practitioners including physicians and other providers with prescribing privileges. Medicaid will require the use of that new ID number in identifying prescribers.

The caveat is that HIPAA will survive all attempts by various lobbying groups to have it eliminated, decapitated, discontinued, set back, etc. *****

MEDICATION PRICE MAY CAUSE NAUSEA

The 5-HT₃ agents Anzemet, Kytril and Zofran are classified as antiemetic/antivertigo agents. Paradoxically, the price of these agents can make you dizzy and if the cost is from your budget, it will make you nauseous. The average wholesale price (AWP) [FDB, effective 2/23/01]

per dose is:

<u>product</u>	<u>strength</u>	<u>cost per dose</u>
Anzemet	100mg tab	\$ 73.31
Anzemet	50mg tab	\$ 55.31
Anzemet	20mg/1ml inj.	\$ 29.68
Kytril	1mg tab	\$ 41.40
Kytril	1mg/1ml inj.	\$139.04
Zofran	4mg/tab	\$ 16.69
Zofran	8mg/tab	\$ 27.80
Zoran	24mg/tab	\$ 83.39
Zofran	4mg/2ml inj.	\$ 22.61

PHARMACISTS - GOOD FAITH EFFORT REQUIRED ON DRUGS REQUIRING PRIOR

APPROVAL. Some pharmacists are turning Medicaid clients away if their prescription requires a prior approval. According to the provider agreement signed by your pharmacy you must serve Medicaid clients without any form of discrimination. If a select drug is on prior approval, you must try to obtain a prior approval with a good faith effort or you are discriminating. Documented discrimination will be referred to the Division's legal department. *****

OPPS - RID NDC correction the correct NDC codes for the covered OTC formulations for RID are: 74300000414, 74300000412, 74300000420.